

CMTA survey results

Manufacturers Investment Credit

The Manufacturers Investment Credit (MIC) was a significant contributor to California's booming economy during the 90's and it can also help lead us out of the current recession by increasing California's job base and economic activity.

To help prove the dynamic economic effect of the MIC, the California Manufactures & Technology Association (CMTA) created a survey for manufacturers that directly addressed the total benefit and job growth resulting from the credit over the last nine years, as well as future expansion plans based on a continued credit.

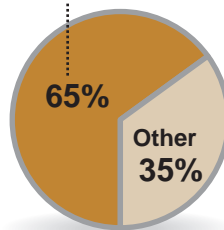
A total of 37 companies representing more than 117,000 California workers responded to our questionnaire. (FYI: These companies range in size from 21 to 30,000 in size). Of the respondents, more than 91 percent used the credit at least four times since its inception in 1994. In addition, two thirds stated that they had invested more in California at least partly because of the MIC and 86 percent of those companies said they hired more employees as well.

Baxter Healthcare's Senior Vice President Thomas H. Glanzmann said, "Over the past eight years Baxter BioScience has significantly expanded its biopharmaceutical manufacturing in California and the Manufacturers Investment Credit has played a decisive role in our ability to increase production in this state. At a time when California's industry costs are



How has the existence of the MIC since 1994 affected your company's investment decisions in California?

We invested more in California at least partly because of the MIC.



significantly higher than the national average, an extension of this credit will allow our company and many others to grow, hire, train and support California's hard working people. Consequently, if this credit is eliminated, I fear it will take with it the opportunity these people deserve."

When asked about a doubling of the MIC, 27 percent said, they would make planned investments sooner, 24 percent said they would increase investment in the next five years and 49 percent said they would consider it when weighing where and when to make future investments next.

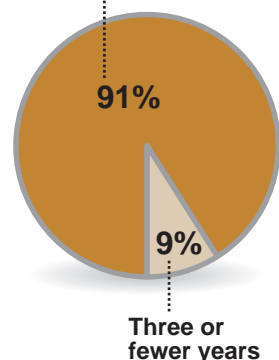
When asked about elimination of the MIC, 21 percent said, they would decrease investments, another 21 percent said they would delay investments and 50 percent said they would consider it when weighing when and where to make future investments next.

The evidence shows that the MIC is a vital tool used by manufacturers to increase investment, stay competitive in a global economy and remain located in California, where the cost of doing business is 32 percent higher than the national average. Without the 6 percent MIC, California will lose important high-wage manufacturing jobs.

Our survey and the raw results are ongoing and remain online at our website, www.cmta.net. We hope to continue to gather even more compelling data and prove that both California's economy and hard working families are well served by this credit for large and small businesses.

In what years since 1994 have you used the MIC?

Companies using the MIC at least four years



How would a doubling of the California MIC affect your investment decisions in California?

Respondents were asked to check all that apply

We would make planned investments sooner in California

27%

We would increase investment in California in the next five years

24%

We would consider it when weighing where to make investments

49%

Not at all

14%

How would elimination of the MIC affect your investment decisions in California?

Respondents were asked to check all that apply

We would delay investments in California

22%

We would decrease investments in California

22%

We would consider it when weighing where to make investments

46%

Not at all

14%

Up-to-the-minute survey results are available at www.cmta.net